

## **REPORT OF THE COMMITTEE ON FINANCE**

**SEPTEMBER 15, 2009**

The Honorable,  
The Board of Commissioners of Cook County

### **ATTENDANCE**

Present: Chairman Daley, Vice Chairman Sims, Commissioners Beavers, Butler, Claypool, Collins, Gainer, Gorman, Murphy, Peraica, Reyes, Schneider, Silvestri, Steele and Suffredin (15)

Absent: President Stroger and Commissioners Goslin and Moreno (2)

Also Present: Randy Johnston – Supervisor, Transactions & Health Law Section, State's Attorney's Office; Warren L. Batts – Chairman, Cook County Health and Hospitals System Board; William T. Foley – Chief Executive Officer, Cook County Health and Hospitals System; Pitt Calkin – Interim Chief Financial Officer, Cook County Health and Hospitals System; and David Carvalho – Finance Chairman, Cook County Health and Hospitals System

Ladies and Gentlemen:

Your Committee on Finance of the Board of Commissioners of Cook County met pursuant to notice on Tuesday, September 15, 2009 at the hour of 10:00 A.M. in the Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois.

Your Committee has considered the following item and upon adoption of this report, the recommendation is as follows:

302414 COOK COUNTY HEALTH and HOSPITALS SYSTEM FISCAL YEAR 2010 PRELIMINARY BUDGET. Transmitting a Communication from Warren L. Batts, Chairman and William T. Foley, Chief Executive Officer:

Please accept the Cook County Health and Hospitals System Board's budget recommendation for the Cook County Health and Hospitals System for the Fiscal Year 2010. The budget recommendation was approved by the System Board on August 26, 2009. The public hearings shall be conducted by the Finance Committee of the Cook County Health and Hospitals System Board. The System will hold public hearings on its Preliminary Budget at times and locations to be announced.

**\* Referred to the Committee on Finance on 09/01/09.**

Chairman Daley called on Warren Batts, Chairman of the Cook County Health and Hospitals System Board, to present their Preliminary Budget.

Mr. Batts stated that the Cook County Health and Hospitals System Board will present their annual report to the Cook County Board of Commissioners at the September 16, 2009 meeting.

In addition, they are working on a strategic plan with a target date for completion in November 2009.

Mr. Batts then introduced Mr. William T. Foley, Chief Executive Officer of the Cook County Health and Hospitals System.

Mr. Foley gave a presentation summarizing the 2009 accomplishments and 2010 goals of the Cook County Health and Hospitals System. (See Attachment #1)

Commissioner Schneider asked if the System Board has a position regarding a new union agreement of physicians at Stroger Hospital.

Mr. Foley responded that there are mixed feelings, but as Chief Executive Officer his recommendation to the System Board was to recognize the physicians union at Stroger Hospital. The System Board is already dealing with a physicians union at other locations. Mr. Foley further stated that System Board needs to have both the physicians and their union as our partners to effectively implement change. He doesn't feel that this is the time to be fighting with the unions, and the System Board agreed.

Commissioner Beavers inquired as to the types of services that are being expanded at Provident Hospital.

Mr. Foley responded that service expansions are under consideration as part of the strategic planning process. The System Board has been in discussion with the University of Chicago about possible partnership opportunities.

Commissioner Beavers stated that he would like to see Provident Hospital gain designation as a trauma center.

Mr. Batts stated that trauma center designation is under the jurisdiction of the State of Illinois.

Commissioner Murphy inquired about making Oak Forest Hospital a trauma center.

Mr. Foley responded that the cost of building a new trauma center would be a huge expense.

David Carvalho, Finance Chairman of the Cook County Health and Hospitals System Board, stated that he intends to convene a meeting for System Board members to be briefed on the procedure for attaining designation as a trauma center. The time and date of this meeting has not been determined, but the Board of Commissioners will be notified and invited to attend when the date has been set.

Chairman Daley inquired about the current rejection rate for reimbursement claims from Medicare.

Pitt Calkin, Interim Chief Financial Officer, Cook County Health and Hospitals System Board, said that he would provide an answer to Chairman Daley's question. He estimates that the rejection rate is lower today than it was at this time last year, but the actual rate will be provided later.

Chairman Daley requested that Mr. Calkin's response include an analysis of the performance of MedAssets compared to one year ago.

Vice Chairman Sims asked how many of our employees are currently working with MedAssets?

Mr. Calkin responded that there are in excess of 200 county employees working with MedAssets.

Chairman Daley asked for the number of employees in the coding section who have been terminated for failure to meet minimum performance standards.

Mr. Calkin indicated there has been zero performance-based terminations since May 2008.

Chairman Daley asked if there are benchmarks for performance established by MedAssets.

Mr. Calkin responded performance analysis is ongoing. Currently, 60% of the medical records are coded incorrectly.

Chairman Daley responded that this figure was unacceptably high.

Mr. Calkin agreed, and expressed his hope that the System Board will be able to work with the unions to improve performance.

Mr. Foley stated that employees need support if they are to improve. MedAssets is also charged with retraining staff and assisting them in reducing error rates.

Commissioner Gainer asked if there is a plan to reactivate the mammography van.

Mr. Foley stated the mammography van is under consideration as part of the strategic plan.

Commissioner Peraica asked for an explanation regarding apparent spending increases in various budgetary lines.

Mr. Calkin clarified that an accurate comparison requires examining the prior year's appropriation, compared to the request for next year.

Chairman Daley explained that, once approved, the Preliminary Budget will be incorporated in the President's Executive Budget Recommendation for Fiscal Year 2010. After the President submits his budget recommendations to the Board, the budget for the Health and Hospitals System will be subject to amendment, just as any other section of the proposed 2010 budget.

**Commissioner Suffredin, seconded by Commissioner Collins, moved approval of the Fiscal Year 2010 Preliminary Budget for the Cook County Health and Hospitals System (Communication No. 302414). Commissioner Peraica called for a Roll Call, the vote of yeas and nays being as follows:**

**ROLL CALL ON MOTION TO APPROVE  
THE FISCAL YEAR 2010 PRELIMINARY BUDGET FOR  
THE COOK COUNTY HEALTH AND HOSPITALS SYSTEM**

Yeas: Commissioners Beavers, Butler, Claypool, Collins, Gainer, Gorman, Murphy, Peraica, Reyes, Schneider, Silvestri, Vice Chairman Sims, Steele, Suffredin and Chairman Daley (15)

Nays: None (0)

Absent: Commissioners Goslin and Moreno (2)

**The motion to approve the Fiscal Year 2010 Preliminary Budget for the Cook County Health and Hospitals System CARRIED.**

Chairman Daley asked the Secretary to the Board to call upon the registered public speaker, in accordance with Cook County Code, Sec. 2-108(dd):

1. George Blakemore, Concerned Citizen

**Commissioner Murphy, seconded by Commissioner Peraica, moved to adjourn. The motion carried and the meeting was adjourned.**

**YOUR COMMITTEE RECOMMENDS THE FOLLOWING ACTION  
WITH REGARD TO THE MATTER NAMED HEREIN:**

Communication Number 302414

Approved

Respectfully submitted,  
Committee on Finance

---

John P. Daley, Chairman

Attest:

---

Matthew B. DeLeon, Secretary

The audio recording for this meeting is available from the Office of the Secretary to the Board, 118 North Clark Street, Room 567, Chicago, IL 60602.